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FARM LOANS

TO

VETERANS

**U. S. Department of Agriculture
Farmers Home Administration
Washington, D. C.**

PA-94

TO VETERANS:

Providing supervised credit services for veterans who want to become established in a sound system of farming is a major purpose of the Farmers Home Administration. Our 1,600 county offices throughout the Nation are set up to answer inquiries, receive applications, and meet the credit needs of qualified veterans and others who want to farm.

This statement of services available to veterans and others has been prepared in response to numerous requests from veterans' organizations, other groups and individuals. It highlights the principal services we offer in our regular credit program, but does not include temporary credit that we provide from time to time, as in the case of flood, drought, or other disaster. Details on these special loans may be obtained from our State and county offices.

In the past 5 years, more than 150,000 loans have been made by this agency to help returned servicemen get started in farming. About 21,600 more veterans applied to us for loans in 1949 than the year before.

However, our aim is not only to make loans, but to make successful farmers. We are proud of the record made by veterans through this agency.

Dillard B. Lasseter

FARM LOANS TO VETERANS

In the Farmers Home Administration program of supervised credit, qualified family-type farmers receive both credit and guidance in making and carrying out sound farm and home plans. Veterans receive preference on all loan services. Money is available for:

1. Farm operating loans—to buy livestock, equipment, or supplies for farming.

2. Farm ownership loans—to buy family type farms, or to enlarge or develop inadequate farms.

3. Farm housing loans—to construct, remodel, or repair houses or other farm buildings.

4. Water facilities loans—to install, repair, or improve farmstead or irrigation facilities.

Where to Apply or Inquire: Loan applications and inquiries are made at county offices of the agency. These offices are usually located in county seat towns and their addresses, if not known, may be obtained from county extension agents or other public officials.

How Applications Are Handled: Each application is reviewed by the agency's county committee, made up of three leading local citizens—at least two of whom are farmers well-acquainted with agricultural conditions in the community. Committeemen consider the experience, abilities, and needs of the applicant. Often they meet with the man and his wife, either on the farm or in the office, to talk over available services and discuss the responsibilities assumed by borrowers. Loans are made only to applicants certified by the committee as eligible.

Since the Farmers Home Administration does not compete with banks or other credit institutions, loans are limited to persons unable to get adequate credit elsewhere. Only United States citizens are qualified for assistance.

Planning and Supervision: Borrowers are aided in planning and adopting good farm and home practices. Before an operating or ownership loan is approved, the applicant—with the help of the county supervisor—works out a farm-and-home plan listing the crops and livestock he wants to handle, and the way he expects to use his loan funds and farm income. The amount loaned is based on needs indicated in this plan.

During the time a family has a loan, the supervisor continues to assist with planning and advice on farm and home management and money matters. He gives special attention to improving crop yields, increasing meat and milk production, and conserving the soil. He visits borrowers on their farms and discusses their problems with them. He also encourages families to take advantage of services offered by other agricultural agencies in the community.

FARM OPERATING LOANS

Loans to operate family-type farms are made to applicants who desire to farm, and to those already farming but who need to make adjustments, expand operations, or meet emergencies.

Eligibility: An applicant must have actual experience in farming, have been reared on a farm, or had agricultural training. Besides this, he must want to farm permanently, plan to spend most of his time farming, and expect to earn most of his income that way. If the applicant doesn't own his farm, he must be able to get a lease that will let him carry out the recommended practices agreed upon in his farm-and-home plan. Previous indebtedness to a Federal or non-Federal source does not necessarily disqualify an applicant.

Use and Terms of Loans: Loans are made to buy livestock, equipment, seed, feed, and fertilizer; to pay family-living expenses, including medical care; to improve and conserve soil, to make minor building repairs, and to meet other farm and home operating costs. Funds may also be included to buy membership in a farmers' cooperative, or to enable two or more farmers to buy and use together heavy machinery, high-grade breeding sires, or similar services they cannot afford alone.

A farmer may borrow enough money to meet his needs but not more than \$3,500 in any 1 year, and at no time can his total indebtedness for operating loans exceed \$5,000.

Loans bear 5 percent interest and are repayable in 1 to 5 years. They are secured by first mortgages on the livestock and equipment bought or refinanced with the funds, and by a mortgage on the crops to be grown during the year for which the loan is made. When the borrower progresses enough to qualify for satisfactory credit from another source, and such credit is available, he is required to refinance his Government loan.

FARM OWNERSHIP LOANS

Applicants who now earn, or recently earned, most of their living from farming—or veterans who have completed approved farm training courses—are eligible for farm ownership credit, which includes the following types of loans:

1. Farm purchase loans to buy family-type farms.

2. Farm enlargement loans to buy additional land to make efficient family-type farms out of under-sized ones.

3. Farm development loans to improve under-improved places.

Credit to Disabled Veterans: Disabled veterans may borrow to buy, enlarge, or improve farms less than family-size. The farm must suit the applicant's abilities, and be large enough and in such condition that income from it—together with the veteran's compensation or pension—will meet his living and operating expenses and repay his loan.

Loan Terms: Direct loans are made by the Farmers Home Administration from funds appropriated by Congress. Insured loans are made by private lenders—such as banks, insurance companies, and individuals—and are insured by the Government through the Farmers Home Administration. On either type, borrowers pay 4 percent, and the Government does all the loan servicing.

To qualify for an insured loan, an applicant must be able to pay at least 10 percent down, or have the equivalent in equity. Both direct and insured loans are repayable within 40 years, but borrowers must refinance their loans as soon as they are able to get adequate credit elsewhere. An applicant can borrow no more to buy, enlarge, or develop a farm than the FHA appraiser and county committee consider the place is worth.

A homesteader on public land, or a settler on a newly irrigated farm in a reclamation area, may defer the first payment on his ownership or water facilities loan for as long as 2 years, if necessary. This is so he can put his land into production before he starts paying back what he borrowed.

FARM HOUSING LOANS

Housing loans are made to farm owners to construct, improve, repair, or remodel houses or other farm buildings. Landlords may borrow to provide better housing for tenants, sharecroppers, or farm laborers. Qualified families of deceased veterans receive preference on their applications. The loans bear 4 percent interest and are repayable over periods of 5 to 33 years.

WATER FACILITIES LOANS

In the dry land areas of the 17 Western States, applicants may get water facility loans to help them farm better or to improve their health and living conditions. With the funds, borrowers may install, repair, or improve farmstead or irrigation facilities including ponds, dams, wells, cisterns, storage tanks, pumps, and farm distribution systems; buy water rights or water stocks; and do necessary land-leveling. Technical assistance is provided by Farmers Home engineers and supervisors to determine what kind of facility is needed, and how to install and operate it to best advantage.

Eligibility: An owner or operator is eligible for a loan if the farm he operates needs water facilities for efficient management, and if the farm is not substantially larger than "family-size" for his locality. A nonprofit water association qualifies if the facility will primarily benefit family-type farmers.

Loan Terms: These loans bear 3 percent interest and are repayable in not more than 20 years. While borrowers are urged to pay off as soon as possible, the repayment period may not extend beyond the useful life of the facility.

As security for the loan, the borrower usually gives a mortgage on his real estate, any water rights he owns, and on the facility.

FOR MORE INFORMATION SEE
THE FHA COUNTY SUPERVISOR
IN YOUR LOCALITY OR WRITE
YOUR STATE OFFICE

FARMERS HOME ADMINISTRATION STATE OFFICES

ALABAMA, Farm Security Building, Montgomery 4.
ALASKA, Building 1, Swan Island, Portland 18, Oreg.
ARIZONA, 809 West Tijeras Avenue, Albuquerque, N. Mex.
ARKANSAS, Waldon Building, Little Rock.
CALIFORNIA, 30 Van Ness Ave., San Francisco, 2.
COLORADO, 950 Broadway, Denver 3.
CONNECTICUT, Federal Building, Boston 9, Mass.
DELAWARE, Federal Land Bank Building, Baltimore 18, Md.
FLORIDA, Professional Building, Gainesville.
GEORGIA, Room 604, Atlanta National Building, Atlanta.
HAWAII, 30 Van Ness Avenue, San Francisco 2, Calif.
IDAHO, 110 Motor Avenue, Salt Lake City, Utah.
ILLINOIS, 14 Federal Building, Champaign.
INDIANA, 212 Federal Building, LaFayette.
IOWA, 307 Old Federal Building, Des Moines 9.
KANSAS, Room 439, New England Building, Topeka.
KENTUCKY, 231 W. Maxwell St. Lexington 9.
LOUISIANA, P. O. Box 587, Alexandria.
MAINE, 31 Central Street, Bangor.
MARYLAND, Federal Land Bank Building, Baltimore 18.
MASSACHUSETTS, 2003 Federal Building, Boston 9.
MICHIGAN, 304 Evergreen Avenue, East Lansing.
MINNESOTA, Federal Courts Building, St. Paul, 2.
MISSISSIPPI, Masonic Temple Building, Jackson.
MISSOURI, 811 Cherry Street, Columbia.
MONTANA, Box 754, Bozeman.
NEBRASKA, 134 South 12th Street, Lincoln 8.
NEVADA, 30 Van Ness Avenue, San Francisco 2, Calif.
NEW HAMPSHIRE, 2003 Federal Building, Boston 9, Mass.
NEW JERSEY, 205 Post Office Building, Trenton.
NEW MEXICO, 809 W. Tijeras Ave., Albuquerque.
NEW YORK, 701 First National Bank Building, Ithaca.
NORTH CAROLINA, State Capital Life Insurance Building, Raleigh.
NORTH DAKOTA, Federal Building, Bismarck.
OHIO, Old Post Office Building, Columbus 15.
OKLAHOMA, Room 404, Federal Building, Oklahoma City.
OREGON, Building 1, Swan Island, Portland.
PENNSYLVANIA, 118 Locust, Harrisburg.
PUERTO RICO, P. O. Box 4269, San Juan 21.
RHODE ISLAND, Federal Building, Boston 9, Mass.
SOUTH CAROLINA, Federal Land Bank Building, Columbia 29.
SOUTH DAKOTA, 225 East Eleventh Street, Sioux Falls.
TENNESSEE, 104 Twenty-first Avenue South, Nashville.
TEXAS, 405 U. S. Terminal Annex, Dallas 2.
UTAH, 110 Motor Avenue, Salt Lake City.
VERMONT, 2003 Federal Building, Boston 9, Mass.
VIRGINIA, 900 North Lombardy Street, Richmond.
WASHINGTON, Building 1, Swan Island, Portland, Oreg.
WEST VIRGINIA, 231 Chestnut Street, Morgantown.
WISCONSIN, 2028 Atwood Avenue, Madison 4.
WYOMING, P. O. Box 820, Casper.